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EXAMINER
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JARRETT, SCOTT L

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* DONGYAN CHENG<sup>1</sup>

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Appeal 2017-003175  
Application 13/892,135  
Technology Center 2600

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Before ST. JOHN COURTENAY III, THU A. DANG, and  
LARRY J. HUME, *Administrative Patent Judges*.

DANG, *Administrative Patent Judge*.

DECISION ON APPEAL

I. STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 1–20. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> According to Appellant the Real Party in Interest is the assignee of record, Alibaba Group Holding Limited of Grand Cayman, Cayman Islands.

### A. INVENTION

According to Appellant, the invention relates to “System and Method for Recommending a Seller Utilizing Identical Sequentially Order Buyer Transaction Tracks.” (Title).

### B. REPRESENTATIVE CLAIM

Claim 1 is exemplary:

1. A method comprising:
  - storing, on a server, a plurality of transaction records, wherein each transaction record of the plurality of transaction records is associated with a buyer's purchase on a corresponding seller's online shopping website;
  - extracting, by the server, a set of transaction records of the plurality of transaction records, wherein the set of extracted transaction records include a plurality of buyers and an associated plurality of sellers;
  - sorting, by the server, the extracted set of transaction records for each buyer of the plurality of buyers based on a sequential ordering of the associated plurality of sellers;
  - determining, by the server, a transaction track for each buyer of the plurality of buyers based on the sorted extracted set of transaction records to generate a group of transaction tracks;
  - determining, by the server, identical transaction tracks of the group of transaction tracks by identifying transaction tracks of different buyers having an identically sorted extracted set of transaction records;
  - establishing, by the server, seller associations among at least two sellers of the associated plurality of sellers included in the identical transaction tracks; and
  - in response to presenting a first seller on line shopping website to a potential buyer, recommending by presenting on the first seller online shopping website, by the server, a second seller based on the seller associations.

### C. REJECTION

1. Claims 1–20 stand rejected under 35 U.S.C. § 101.

## II. ISSUE

The principal issue before us is whether the Examiner erred in finding that a method directed to “storing,” “extracting and sorting . . . a set of transaction records,” “determining a transaction track for each buyer and identical transaction tracks . . . of different buyers,” “establishing seller associations” and “recommending . . . a second seller based on the seller associations” (claim 1) is directed to non-statutory subject matter.

## IV. ANALYSIS

Appellant contends “Independent claim 1 is directed to ‘significantly more’ than the alleged abstract idea itself.” (App. Br. 13, 14).

In particular, Appellant contends, *inter alia*:

The Office has not provided any explanation, evidence, or documentation *during the entire course of prosecution* that the method of claim 1, (and independent claims 7 and 13 as well), is well-understood, routine, and conventional in a field. If all of the claimed steps were truly “well-understood, routine, and conventional in a field,” then the Office would be obligated to point to a document or other evidence showing all of the combined features that are recited in the pending claims.

(App. Br. 15).

We are not persuaded by Appellant’s arguments. Under the two-part test articulated by the Supreme Court in *Alice*, “[w]e [must first] determine whether the claims at issue are directed to a patent-ineligible concept,” such as an abstract idea. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014). Secondly, “we must examine the elements of the claim to determine whether it contains an inventive concept sufficient to transform the claimed abstract idea into a patent-eligible application.” (*Id.* at 2357, internal quotations omitted).

Here, in rejecting the pending claims under § 101, the Examiner analyzed the claims using the two-step Alice framework. (Final Act. 7–8). Specifically, the Examiner notified Appellant that claims 1–20 are directed to a concept involving “commercial” transactions by the abstract idea of recommending sellers, and that the claim does

not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional limitations of storing a plurality of transaction records, and extracting a set of transaction records simply recite insignificant pre-solution data gathering activity. The recitation of a server merely recites a generic computer performing generic computer functions of receiving, processing and transmitting data. The recitation that the transaction records are associated with a buyer’s purchase on a seller’s online website is an attempt to limit the use of the abstract idea to a particular environment.

(Final Act. 7).

We find the Examiner set forth a sufficient prima facie case under 35 U.S.C. § 132(a), such that the burden shifted to Appellant to explain why the claims are patent-eligible under 35 U.S.C. § 101.

Regarding part one of the Alice two-part test, we agree with the Examiner that the claims are “directed to the abstract idea” wherein, the claims “do not include additional elements that are sufficient to amount to significantly more than the judicial exception” (Final Act. 7, Ans. 4). We also agree with the Examiner that,

The instant application does not recite an improvement in another technology or field, nor does the instant application recite improving the functioning of the computer itself, does not recite a particular machine, does not effect a transformation or reduction of a particular article to a different state or thing and does not add a specific limitations other than what is well understood, routine and conventional in the field.

The claims merely recite limitations that amount to no more than generally linking the use of the abstract idea (providing seller recommendations) to a generic computer/technological environment (e.g. online, website). Accordingly the claims are not similar to Subject Matter Eligibility Example 21 and are not patent eligible under 35 U.S.C. 101.

(Ans. 7).

Abstract ideas that have been identified by courts include, for example, fundamental economic practices, certain methods of organizing human activities, an idea “of itself,” and mathematical relationships/formulas. *Alice*, 134 S. Ct. at 2355-56. We find claim 1’s seller recommendations to be directed to business transactions which we consider both a fundamental economic practice and a method of organizing human activity by prodding people to make additional purchases.

We further agree with the Examiner’s finding that the claimed steps (“storing,” “extracting,” “sorting,” “determining,” “establishing,” and “recommending”) could be performed as mental steps . . . , steps a user performs prior to causing the server to perform the claimed rendering.

(Ans. 8). That is, these steps can be performed by human thought alone and thus are merely abstract ideas that are not patent-eligible under § 101. *See CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366, 1375 (Fed. Cir. 2011) (“That purely mental processes can be unpatentable, even when performed by a computer, was precisely the holding of the Supreme Court in *Gottschalk v. Benson*.”). That is, “a method that can be performed by human thought alone is merely an abstract idea and is not patent-eligible under § 101.” (*Id.* at 1373.); *see also Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1335 (Fed. Cir. 2016) (“For instance, fundamental economic and

conventional business practices are often found to be abstract ideas, even if performed on a computer.”).

Although Appellant argues that its “specific method of providing recommendations to buyers ‘cannot be said, as a matter of law, to have been conventional or generic’ (see *Bascom*)” (App. Br. 20–21), we are not persuaded, because Bascom’s patent claimed a technology-based solution (not an abstract-idea-based solution implemented with generic technical components in a conventional way) to filter content on the Internet that overcame existing problems with other Internet filtering systems and improved the performance of the computer system itself. (*Bascom*, 827 F.3d 1341, 1351 (Fed. Cir. 2016)).

We additionally refer to *Content Extraction*, where the Federal Circuit has provided additional guidance on the issue of statutory subject matter, by holding that claims to collecting data, recognizing certain data within the collected data set, and storing that recognized data in memory, were directed to an abstract idea and therefore unpatentable under § 101. *Content Extraction & Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343 (Fed. Cir. 2014).

Regarding part two of the *Alice* test, we find merely appending purely conventional steps (such as “storing,” “extracting,” “sorting,” “determining,” “establishing,” and “recommending”) to an abstract idea does not supply a sufficiently inventive concept. See *Alice Corp.* 134 S. Ct. at 2357-58. Although these individual steps in claim 1 present a specific approach associated with a business transaction, none of these steps transform the nature of the claim to patent-eligible subject matter. *Id.* at 2355 (citing *Mayo*, 132 S. Ct. at 1297, 1298). They do no more than narrow the scope of

the abstract idea. They do not change its character so that the claim may be said to describe a solution to a problem that is rooted in technology.

Here, we agree with the Examiner that the claims “fail to improve the underlying technology” and “are not directed to improving computer performance,” and thus do not pass step two of *Alice* (Ans. 8), since they fail to contain an inventive concept sufficient to transform the claimed abstract idea into a patent-eligible application.

Appellant additionally cites to USPTO examination guidelines, i.e., claim 2 of Example 21 from the Updated Guidelines, in arguing similarities with claim 1. (App. Br. 16–17). We have considered these guidelines, which are based on controlling case law and USPTO policy at the time the guidelines were issued. However, the PTAB applies relevant U.S. Supreme Court and Federal Circuit case law to the facts of each patent application on appeal, and does not rely on policy guidelines intended to train Patent Examiners as a controlling legal authority.

Accordingly, on this record, we are not persuaded of error in the Examiner's rejection under 35 U.S.C. § 101 of independent claim 1, or in the §101 rejection of independent claims 7 and 13, which recite the language of claim 1 in similar or commensurate form.

In view of the lack of any substantive or separate arguments directed to the § 101 rejection of dependent claims 2–6, 8–12, and 14–20 (*see* App. Br. 24–25), we sustain the Examiner's rejection of these claims, as they fall with their respective independent claims. Arguments not made are waived.



V. CONCLUSION AND DECISION

We affirm the Examiner's rejections of claims 1–20 under 35 U.S.C. § 101.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED